

1 MR. WIGGINS: Thank you, Mr. Rankin.

2 Q (By Mr. Wiggins) Ms. Strow, do you have a
3 summary to give today?

4 A Yes, I do.

5 Q Would you proceed with that summary, please?

6 A Yes, I will. Good afternoon, Commissioners.
7 The purpose of my testimony before this commission is to
8 provide information to assist the Commission in making a
9 determination as to whether BellSouth has met its 271
10 obligations under the Telecommunications Act of 1996.

11 My testimony before this commission can only
12 result in one finding and that is that BellSouth has not
13 met its requirements under the Act, and therefore should
14 not be permitted into the in-region interLATA market in
15 Florida at this time.

16 I am here to share with you Intermedia's
17 experience with BellSouth in Florida. Intermedia was
18 one of the first competitive companies to provide local
19 service in Florida and has a ten-year history as a
20 telecommunications provider in this state.

21 Intermedia entered into an interconnection
22 agreement with BellSouth on June 21st, 1996 and the
23 agreement was approved by this Commission on July 1st.
24 1996. It is true that Intermedia entered into the
25 negotiated agreement with BellSouth voluntarily.

1 Intermedia's approach to interconnection agreements has
2 been one of cooperation, not one that is adversarial.

3 Intermedia will only seek arbitration in cases
4 where the incumbent LEC interprets the Communications
5 Act in a way that denies Intermedia critical elements or
6 services, and to date Intermedia has only arbitrated
7 against one ILEC, and even then only arbitrated a single
8 issue.

9 Let me make one point clear, however. If
10 BellSouth had ever indicated to Intermedia that the
11 unbundled network elements Intermedia was seeking were
12 not required by the Act or would not be provided by
13 BellSouth, Intermedia would not have hesitated to
14 arbitrate that issue before this commission.

15 I am disappointed and surprised that
16 BellSouth's witnesses have suggested that BellSouth is
17 not required under the Act to provide the unbundled data
18 network elements requested by Intermedia, and that
19 BellSouth will only provide those network elements
20 required by this commission through arbitrated cases.

21 If this is BellSouth's position, then I can
22 only say it represents a major step backward in our
23 relationship with BellSouth and violates written and
24 spoken agreements that Intermedia has had with BellSouth
25 for over a year. In fact, BellSouth's position

1 penalized Intermedia for attempting to negotiate with
2 BellSouth instead of going immediately to arbitration
3 before this Commission.

4 Had we thought for one moment that this was
5 the BellSouth position, we would have taken different
6 steps to resolve it. Intermedia would certainly not
7 have used its resources to work toward developing and
8 implementing the data network elements that are
9 described in the correspondence attached to my
10 testimony. We certainly would not have a team of people
11 in Birmingham meeting with BellSouth today to work
12 through the issues if we thought that BellSouth would
13 ultimately refuse to provide us the data oriented
14 network elements that we require.

15 In fact, this commission has experienced over
16 the last week what Intermedia has experienced over the
17 last four months. BellSouth has continually vacillated
18 in its position providing Intermedia with confused and
19 contradictory promises. In this proceeding, three of
20 BellSouth's witnesses have provided contradictory
21 testimony on what network elements BellSouth is actually
22 providing to Intermedia, what the BellSouth Intermedia
23 interconnection agreement requires, and even whether
24 BellSouth is obligated to provide unbundled network
25 elements for digital and data services.

1 Intermedia asks this Commission to consider
2 this demonstration of inconsistencies, inaccuracies and
3 broken promises as it evaluate's BellSouth's 271
4 application.

5 Intermedia first requested specific unbundled
6 network elements for data services from BellSouth over a
7 year ago. This request for unbundled elements is the
8 single most critical requirement for Intermedia to serve
9 its business customers throughout Florida. Because
10 Intermedia has chosen to deploy state of the art
11 facilities in its network, data services and facilities
12 capable of providing them are a critical part of
13 Intermedia's business plan. This is why obtaining
14 unbundled network elements from BellSouth that are
15 capable of providing digital data services is so
16 important to Intermedia.

17 The fact that BellSouth has not provided
18 cost-based rates for digital elements that they
19 committed in contract to provide to Intermedia should be
20 the most -- excuse me, should be most telling to this
21 commission as to whether BellSouth has met reasonable
22 requirements for interconnection.

23 I want to be clear on this point because the
24 record of this proceeding has focused largely on the
25 provision of plain old telephone service over standard

1 analog loops. This is understandable because today the
2 majority of circuits provided by BellSouth to new
3 entrants consists of voice services over analog
4 facilities.

5 In the next few years, however, this will
6 change, and increasingly complex services from
7 combination of voice and data services to full motion
8 video will be increasingly -- will increasingly be
9 demanded by both business and residential customers.

10 The digital network that Intermedia is
11 building will be the backbone architecture over which
12 these services, as well as plain old telephone service,
13 will be provided. For this reason, this proceeding
14 cannot be just about voice service or just about
15 resale. The Communications Act clearly contemplated the
16 provision of a whole spectrum of competitive local
17 services including voice, data and video.

18 While digital data services are the wave of
19 the future, Intermedia has a critical need for unbundled
20 data elements for the services that it provides to its
21 customers today.

22 Currently, while Intermedia provides a large
23 volume of voice circuits, the majority of the circuits
24 it provides are for data services. Every time a
25 customer uses a credit card in a store or a bank card in

1 an ATM machine, the cash register or the ATM uses a data
2 circuit to check whether the card is valid. All kinds
3 of businesses, from large car dealerships to drug store
4 chains, use data circuits to monitor changes in
5 inventory every time a sale is made.

6 The use of fax machines by both business and
7 residential users is exploding, and the use of internet
8 for both business and residential applications is
9 growing exponentially.

10 All of the applications use data circuits, and
11 these represent the majority of the services that
12 Intermedia is providing now. This is why Intermedia is
13 so focused on obtaining unbundled network elements from
14 BellSouth that are capable of providing data services.

15 These are the unbundled network elements that
16 Intermedia requested from BellSouth well over a year
17 ago. These are the elements that are still not being
18 provided by BellSouth. BellSouth will tell you that
19 these elements have been available to Intermedia since
20 March of 1997.

21 I respond that what was available is nothing
22 more than words on paper and a price list. There have
23 been no final service descriptions provided to
24 Intermedia verifying that what BellSouth is willing to
25 provide is what Intermedia requested. No end-to-end

1 test of the elements when used in combination with
2 Intermedia's network to ensure that they work as
3 requested by Intermedia.

4 More importantly, and fundamentally, if
5 Intermedia wanted to place an order today for the
6 elements, there are no processes or systems in place to
7 submit such an order to BellSouth.

8 Other unbundled loops and elements of this
9 type that have supposedly been available for some time
10 from BellSouth also have no support.

11 When Intermedia placed an order for such an
12 element, a DS1 loop, in late May, it took six weeks to
13 complete the order. In contrast, when BellSouth -- when
14 a BellSouth customer orders a DS1 circuit from
15 BellSouth, BellSouth typically provides it in five to
16 ten business days.

17 The delay in Intermedia's case stems from the
18 fact that there are no systems or processes in place to
19 support Intermedia's order. This was for an unbundled
20 element that supposedly has been available for sometime
21 and is a very common element used in typical business
22 applications.

23 Last, there are no operational support systems
24 in place to support preordering, ordering, provisioning,
25 billing, maintenance and repair for the more complex

1 unbundled network elements, and for that matter for the
2 more complex resale services from BellSouth.

3 BellSouth in its testimony admits this point
4 in that only four complex services are supported by the
5 systems BellSouth holds up as meeting the OSS
6 requirements of the Communications Act. It is clear
7 from the evidence presented in this proceeding that
8 BellSouth's OSS offering to competitive local exchange
9 carriers does not meet the equivalency standard required
10 by the Communications Act and the FCC's recent Ameritech
11 order.

12 This conclusion is supported by reports --
13 excuse me, this conclusion is supported by reports that
14 BellSouth itself commissioned that show that the
15 performance of its LCSC operations is inadequate to meet
16 the equivalency standard.

17 For unbundled network elements, virtually no
18 OSS is in place, and even for resale, the OSS system
19 that BellSouth has put in place have experienced severe
20 difficulties.

21 Can BellSouth ultimately make these elements
22 and resold services available as envisioned by the
23 Communications Act, and provide them via systems and
24 processes that allow efficient ordering, provisioning,
25 billing and maintenance? It's too early to know yet.

1 Therefore any action by this Commission to grant
2 BellSouth's 271 application would be premature.

3 In light of BellSouth's failure to provide
4 Intermedia with unbundled network elements as required
5 by the Communications Act and the executed
6 interconnection agreement with Intermedia, and in light
7 of BellSouth's failure to provide OSS processes and
8 systems equivalent to that provided to itself,
9 Intermedia respectfully requests that this Commission
10 deny BellSouth's 271 request at this time. Thank you.

11 Q Does that conclude your summary?

12 A Yes, it does.

13 MR. WIGGINS: Madam Chairman, the witness is
14 available for cross examination.

15 CHAIRMAN JOHNSON: Any other parties with
16 cross examination?

17 MS. CULPEPPER: Madam Chairman, Staff would
18 ask that its exhibits be marked at this time.

19 We ask that Exhibit JS-13, which is the
20 deposition transcript, exhibits and late-filed exhibits
21 and the errata sheet of Ms. Strow be marked as Exhibit
22 78.

23 CHAIRMAN JOHNSON: It will be so marked.

24 MS. CULPEPPER: And we ask that Exhibit JS-14,
25 which are Intermedia's Responses to Staff's

1 Interrogatories, be marked as Exhibit 79.

2 CHAIRMAN JOHNSON: Be marked 79.

3 MS. CULPEPPER: Thank you.

4 (Exhibit Nos. 78 and 79 marked for
5 identification.)

6 CHAIRMAN JOHNSON: Bell?

7 MR. RANKIN: Thank you, Madam Chairman

8 CROSS EXAMINATION

9 BY MR. RANKIN:

10 Q Good afternoon, Ms. Strow. Ed Rankin on
11 behalf of BST.

12 In Florida, ICI is presently providing local
13 service through both resale and through the use of its
14 own facilities; is that right?

15 A Yes, that is correct.

16 Q And I believe Intermedia is providing local
17 services to residence customers only on a resold basis;
18 is that right?

19 A Yes, that's correct, with one slight
20 modification, it is also on a very incidental basis.
21 That is not our target market.

22 Q What's the slight modification or slight
23 exception?

24 A That it's only on an incidental basis.

25 Q On an incidental basis? You're not marketing